

COVID-19 pandemic: ESA approves amendments to Norwegian compensation scheme for businesses suffering financial losses



The EFTA Surveillance Authority (ESA) has today approved changes to a Norwegian support scheme for businesses seeking compensation for COVID-19-related financial difficulties. The changes include raising the threshold for receiving aid and decreasing the aid intensity for the beneficiaries.

The [temporary compensation scheme for companies](#) formed an important part of Norway's initial economic response to the COVID-19 pandemic, and was first approved by ESA on 17 April 2020, and subsequently prolonged several times. On 21 May 2021, the scheme was renewed and prolonged until 31 October 2021 under the European Commission's [Temporary Framework](#) for state aid measures to support the economy during the current COVID-19 outbreak.

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The Norwegian economy is now recovering, and the Norwegian authorities consider that businesses will have less incentive to step up their activity levels if the aid is maintained at a high level.

The scheme is therefore amended, and the threshold for businesses seeking compensation is raised from 30% loss in turnover to 40% for the period from 1 September to 31 October 2021. The scheme's aid intensity will be decreased for the same time period.

The estimated budget of the scheme is now NOK 2 billion (EUR 200 million), half of its original estimate when launched in its renewed form in May 2021.

Read the full decision [here](#).



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